

ZKB Capital Protection Note with Participation on SMI® Index with 100.00% Capital Protection

02.11.2022 - 02.11.2027 | Swiss Security Code 121 485 345

Summary

This Summary is to be understood as an introduction to the present Final Terms. Any investment decision in relation to the products must be based on the information contained in the base prospectus and in these Final Terms in their entirety and not on the Summary. In particular, each investor should consider the risk factors contained in these Final Terms and in the base prospectus.

The Issuer can only be held liable for the content of this Summary if the Summary is misleading, incorrect or contradictory when read together with the other parts of the Final Terms and the base prospectus.

Information on the securities
Type of product: ZKB Capital Protection Note with Participation SSPA Category: Capital Protection Note with Participation (1100, acc. to the Swiss Derivative Map) ISIN: CH1214853454 Symbol: KSMUSZ Issuer: Zürcher Kantonalbank Finance (Guernsey) Limited Underlying: SMI®Index Initial Fixing Date: 26 October 2022 Settlement Date: 2 November 2022 Final Fixing Date: 26 October 2027 Redemption Date: 2 November 2027 Type of settlement: cash Minimum Redemption: 100.00% of Denomination at Maturity
Information concerning the offer and admission to trading
Place of the offer: Switzerland Notional Amount/Denomination/Trading Units: Up to USD 10'000'000, with the right to increase / Denomination of USD 1'000 per structured product / USD 1'000 or multiples thereof Issue price: 100.00% of Denomination (USD 1'000) Information on listing: Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 2 November 2022

Final Terms

Product Category/Name

Capital Protected Products/Capital Protection Note with Participation (1100, according to the Swiss Derivative Map provided by the Swiss Structured Products Association)

Regulatory Notification

This product does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and it is not subject to authorisation or supervision by FINMA. The issuer risk is borne by investors.

Issuer

Zürcher Kantonalbank Finance (Guernsey) Limited, Saint Peter Port, Guernsey
 Zürcher Kantonalbank Finance (Guernsey) Limited is a wholly owned and fully consolidated subsidiary of Zürcher Kantonalbank. It is not subject to any direct prudential supervision neither in Guernsey nor in Switzerland and does not have a rating.

Keep-Well Agreement

Zürcher Kantonalbank Finance (Guernsey) Limited is a fully owned subsidiary of Zürcher Kantonalbank. Zürcher Kantonalbank obtains the following ratings: Standard & Poor's: AAA, Moody's: Aaa, Fitch: AAA. Zürcher Kantonalbank is committed to Zürcher Kantonalbank Finance (Guernsey) Limited with sufficient financial means, allowing to satisfy any claims of its creditors in due time. The full text of the Keep-Well Agreement, which is subject to Swiss law, can be found in the publicly available base prospectus.

Lead Manager, Paying Agent, Exercise Agent and Calculation Agent	Zürcher Kantonalbank, Zurich
Symbol/ Swiss Security Code/ISIN	KSMUSZ/ 121 485 345/CH1214853454
Notional Amount/Denomination/ Trading Units	Up to USD 10'000'000, with the right to increase / Denomination of USD 1'000 per structured product / USD 1'000 or multiples thereof
Issue Price per structured product	100.00% of Denomination (82.43% bond part, IRR 3.94% p.a.)
Currency	Quanto USD
Underlying	SMI® Index /CH0009980894/Bloomberg: SMI Index
Minimum Redemption at Maturity	100.00% of Denomination at Maturity
Participation Rate	105.00% at maturity
Exercise Price	10'817.21 / 100.00% of Initial Fixing Level
Initial Fixing Date	26 October 2022
Settlement Date	2 November 2022
Last Trading Date	26 October 2027
Final Fixing Date	26 October 2027
Redemption Date	2 November 2027
Initial Fixing Level	10'817.21, Closing price of Underlying, on Initial Fixing Date
Final Fixing Level	Closing Price of the Underlying, on 26 October 2027
Redemption Method	$N * \left[KS + P * \max \left(\frac{S_{FF} - K}{S_{IF}}, 0 \right) \right]$ <p>where N = Denomination KS = Capital Protection = 100.00% P = Participation Rate = 105.00% S_{FF} = Final Fixing Level of Underlying S_{IF} = Initial Fixing Level of Underlying K = Strike Level = 100.00% of Initial Fixing Level</p>
Listing/Secondary market	Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 2 November 2022.
Clearing House	SIX SIS AG/Euroclear/Clearstream
Distribution fees	Distribution fees in the form of a discount on the Issue price, reimbursement of a part of the Issue price or other one-off and/or periodic charges may have been paid to one or several distribution partners of this structured product.
Distribution fees to partners outside the group	Distribution fees are paid out to distribution partners of this structured product outside the group and may amount up to 0.5000% p.a.
Distribution fees to partners inside the group	Distribution fees are paid out to the Lead Manager and amount to 0.0360% p.a.
Sales: 044 293 66 65	SIX Telekurs: .zkb Internet: www.zkb.ch/finanzinformationen
	Reuters: ZKBSTRUCT Bloomberg: ZKBY <go>
Key Elements of the product	ZKB Capital Protection Note with Participation is an investment product which combines the purchase of an „at-the-money“ call option and a bond investment. The investor participates at the Participation Rate in any increase in the Underlying from the Exercise Price on. In addition, the Capital Protection guarantees the Minimum Redemption, which is independent of the price behaviour of the Underlying.

Taxes

The product is considered as transparent and IUP (Intérêt Unique Prédominant). The implied internal rate of return is subject to income tax for private investors with Swiss tax domicile at sale or maturity (IRR 3.94% p.a., present value of bond part at issue 82.43%) and is determined in compliance with the "modifizierte Differenzbesteuerung" tax rule based on the ESTV Bondfloor Pricing method. The applicable daily exchange rate for foreign currency translation purposes may be an important factor. Any return derived from the option part qualifies as capital gain and is not subject to Swiss income tax for private investors with Swiss tax domicile. The product is not subject to Swiss withholding tax. The Federal securities transfer stamp tax is levied on secondary market transactions for securities with initial duration of less than one year. This product may be subject to additional withholding taxes or duties, such as related to FATCA, Sect. 871(m) U.S. Tax Code or foreign financial transaction taxes. Any payments due under this product are net of such taxes or duties. The information above is a summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of structured products. The relevant tax law and practice may change. The Issuer does not assume any liability in connection with the above information. The tax information only provides a general overview and can not substitute the personal tax advice to the investor.

Documentation

This document is a non-binding English translation of the Final Terms (Endgültige Bedingungen) published in German and constituting the Final Terms in accordance with article 45 of the Federal Act on Financial Services (FinSA) and a simplified prospectus pursuant to article 5 para. 2 CISA in the version dated 1 March 2013. The English language translation is provided for convenience only.

The binding German version of these Final Terms together with the applicable Base prospectus of the Issuer for the issuance of structured products approved by SIX Exchange Regulation Ltd (together with any supplements thereto, the "Base prospectus") constitute the product documentation for the present issue.

If this structured product was offered for the first time prior to the date of the respective applicable Base prospectus, the further legally binding product terms and conditions (the "Relevant Conditions") are derived from the Base prospectus or issuance program which was in force at the time of the first offer. The information on the Relevant Conditions is incorporated by reference of the respective Base prospectus or issuance program into the applicable Base prospectus in force at the time of issuance.

Except as otherwise defined in these Final Terms, the terms used in these Final Terms have the meaning given to them in the Base prospectus or the Relevant Conditions. In case of discrepancies between information or the provisions in these Final Terms and those in the Base prospectus or the Relevant Conditions, the information and provisions in these Final Terms shall prevail. The present products will be issued in the form of uncertificated securities (Wertrechte) and registered as book-entry securities (Bucheffekten) with SIX SIS Ltd. Investors have no right to require the issuance of any certificates or any proof of evidence for the products. **These Final Terms and the Base prospectus can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIE or by e-mail at documentation@zkb.ch. They are also available on <https://www.zkb.ch/finanzinformationen>.**

Information on the Underlying

The SMI[®] is made up of a maximum of 20 of the largest and most liquid stocks from the SPI[®] Large- and Mid-cap Segment. As with all SIX stocks indices, the stocks are weighted within the index according to their free float market capitalisation. The index is updated in real time after each transaction and published every three seconds. The SMI[®] is a price index. These securities are not in any way sponsored, endorsed, sold or promoted by the SIX Swiss Exchange and the SIX Swiss Exchange makes no warranty or representation. SMI[®] is a registered trademark of the SIX Swiss Exchange. Its use is license requiring. Information on the performance of the Underlying is publicly available on www.bloomberg.com. Current annual reports are published on the website of the respective index provider.

Notices

Any notice by the Issuer in connection with these structured products, in particular any notice in connection with modifications of the terms and conditions will be validly published on the website <https://www.zkb.ch/finanzinformationen> under the relevant structured product. The Swiss security code search button will lead you directly to the relevant structured product. The notices will be published in accordance with the rules issued by SIX Swiss Exchange for IBL (Internet Based Listing) on the website <https://www.six-exchange-regulation.com/en/home/publications/official-notices.html>

Governing Law/Jurisdiction

Swiss Law/Zurich

2. Profit and Loss Expectations at Maturity

Profit and Loss Expectations at Maturity

ZKB Capital Protection Note with Participation

Underlying Price	Percent	Redemption	
		ZKB Capital Protection Note with Participation	Performance %
CHF 4'326.88	-60%	USD 1'000.00	0.00%
CHF 6'490.33	-40%	USD 1'000.00	0.00%
CHF 8'653.77	-20%	USD 1'000.00	0.00%
CHF 10'817.21	0%	USD 1'000.00	0.00%
CHF 12'980.65	+20%	USD 1'210.00	21.00%
CHF 15'144.09	+40%	USD 1'420.00	42.00%
CHF 17'307.54	+60%	USD 1'630.00	63.00%

Source: Zürcher Kantonalbank

If the Final Fixing Level trades above the Exercise Price, the performance of the Underlying from the Exercise Price on multiplied by the Participation Rate will get realised. If the Final Fixing Level is below the Exercise Price, the Capital Protection of 100.00% is guaranteed.

The table above is valid at maturity only and is by no means meant as a price indication for this Structured Product throughout its lifetime. The price of this Structured Product depends on additional risk factors between the Initial Fixing Date and the Final Fixing Date. The price quoted on the secondary market can therefore deviate substantially from the above table.

3. Material Risks for Investors

Issuer Risk

Obligations under this structured product constitute direct, unconditional and unsecured obligations of the Issuer and rank pari passu with other direct, unconditional and unsecured obligations of the Issuer. The value of the structured product not only depends on the performance of the Underlying and other developments in the financial markets, but also on the solvency of the Issuer, which may change during the term of this structured product.

Specific Product Risks

Structured products are complex financial instruments, which entail considerable risks and, accordingly, are only suitable for investors who have the requisite knowledge and experience and understand thoroughly the risks connected with an investment in these structured products and are capable of bearing the economic risks. The loss potential of an investment in ZKB Capital Protection Note with Participation is at Maturity limited to the difference between the paid price and the Minimum Redemption. Nevertheless, during the lifetime of the product, the ZKB Capital Protection Note with Participation may trade at a lower value than the Minimum Redemption. The product is denominated in USD. If the investor's reference currency differs from the USD, the investor bears the risk between the USD and his reference currency.

4. Additional Terms

Modifications

If an extraordinary event as described in the base prospectus occurs in relation to the Underlying/a component of the Underlying or if any other extraordinary event occurs, which makes it impossible or particularly cumbersome for the Issuer, to fulfill its obligations under the products or to calculate the value of the products, the Issuer shall at its own discretion take all the necessary actions and, if necessary may modify the terms and conditions of these products at its own discretion in such way, that the economic value of the products after occurrence of the extraordinary event corresponds, to the extent possible, to the economic value of the products prior to the occurrence of the extraordinary event. Specific modification rules for certain types of Underlyings stated in the base prospectus shall prevail. If the Issuer determines, for whatever reason, that an adequate modification is not possible, the Issuer has the right to redeem the products early.

Change of Obligor

The Issuer is entitled at all times and without the consent of the investors to assign in whole (but not in part) the rights and claims under individual structured products or all of them to a Swiss or foreign subsidiary, branch or holding company of the Zürcher Kantonalbank (the "New Issuer") to the extent that (i) the New Issuer assumes all of the obligations arising out of the assigned structured products which the previous Issuer owed in respect of these structured products, (ii) the Zürcher Kantonalbank enters into a keep-well agreement with the New Issuer with terms equivalent to the one between the Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited, (iii) the New Issuer has received from the supervisory authorities of the country in which it is domiciled all necessary approvals for the issue of structured products and the assumption of the obligations under the assigned structured products.

Market Disruptions	Compare specific provisions in the base prospectus.
Prudential Supervision	As a bank within the meaning of the Swiss Federal Act on Banks and Savings Banks (BankG; SR 952.0) and a securities firm within the meaning of the Swiss Federal Act on Financial Institutions (FinlAG; SR 954.1), Zürcher Kantonalbank is subject to the prudential supervision of FINMA, Laupenstrasse 27, CH-3003 Bern, https://www.finma.ch .
Recording of Telephone Conversations	Investors are reminded that telephone conversations with trading or sales units of Zürcher Kantonalbank are recorded. Investors, engaging in telephone conversations with these units provide their tacit consent to the recording of their conversations.
Further Information	This document constitutes neither an offer nor a recommendation or invitation to purchase financial instruments and can't replace the individual investor's own judgement. The information contained in this document does not constitute investment advice but is intended solely as a product description. An investment decision should in any case be made on the basis of these Final Terms and the base prospectus. Particularly, before entering into a transaction, the investor should, if necessary with the assistance of an advisor, examine the conditions for investment in the product in consideration of his personal situation with regard to legal, regulatory, tax and other consequences. Only an investor who is aware of the risks of the transaction and has the financial capacity to bear any losses should enter into such transactions.
Material Changes	Since the end of the last financial year or the date of the interim financial statements, there have been no material changes in the assets, financial or revenue position of the Issuer and Zürcher Kantonalbank.
Responsibility for the Final Terms	Zürcher Kantonalbank, Zurich, and Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey, assume responsibility for the content of these Final Terms and hereby declare that, to their knowledge, the information contained in these Final Terms is correct and no material circumstances have been omitted.

Zurich, 13 October 2022, last update on 27 October 2022